

IN THE CHANCERY COURT OF THE STATE OF TENNESSEE
TWENTIETH JUDICIAL DISTRICT, DAVIDSON COUNTY

2003 APR 22 PM 3:14

STATE OF TENNESSEE,
ex rel. PAULA A. FLOWERS,
in her official capacity as COMMISSIONER OF THE
TENNESSEE DEPARTMENT OF COMMERCE AND
INSURANCE,

Petitioner,

vs.

TRAVELERS CASUALTY & SURETY INSURANCE
COMPANY; INSURANCE COMPANY OF THE
STATE OF PENNSYLVANIA,

Respondents.

In re Bonds held by the Commissioner for
Birmingham Steel Corporation for Self-Insured
Workers' Compensation Liability in Tennessee
for Covered Injuries from 9-1-1998 to 3-14-2002

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) DAVIDSON CO. CHANCERY CT.

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**ORDER TO SHOW CAUSE, SPECIALLY SETTING AN EARLY HEARING ON THE
PETITION FOR TURN-OVER OF BOND PROCEEDS, INJUNCTIVE RELIEF,
APPOINTMENT OF RECEIVER TO ADMINISTER FUNDS FOR WORKERS'
COMPENSATION SELF-INSURANCE, AND FOR DECLARATION OF NOTICE TO
POTENTIAL CLAIMANTS**

This order is made upon ex parte consideration of the Verified Petition of the
Commissioner of Commerce and Insurance For Turn-Over of Bond Proceeds, For Injunctive
Relief; For Appointment of Receiver to Administer Funds for Workers' Compensation Self-
Insurance Liability of Birmingham Steel Corporation Under Tenn. Code Ann. § 50-6-405 and the
Request for Early Hearing and Relief, together with supporting affidavits, ("Verified Petition"),
filed with the Court. This Court finds:

1) that such Verified Petition alleges that Birmingham Steel Corporation (BSC), a former

Tennessee employer dissolved in bankruptcy, has stopped paying any self-insured workers compensation benefits, and requests the proceeds of bonds for the outstanding self-insured Tennessee workers' compensation liability and equitable injunctive relief so that claims may be administered under the supervision of this Court;

2) that the Respondents are bonding companies who should promptly respond whether their bond proceeds will be made available to supply BSC's outstanding workers compensation benefits;

3) that the Employees are not required by the Verified Petition to answer the Petition in order to claim on the funds to be held by the Commissioner, but would file Proofs of Claim if the procedure is established by the Court, and

4) that the Commissioner's request for an expedited hearing on the Verified Petition should be granted to assess quickly whether bond funds will be furnished and whether any interested parties oppose the Verified Petition to set up the procedure for receiving claims for BSC's Tennessee workers compensation benefits.

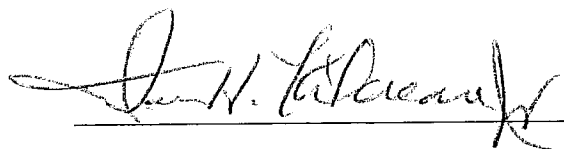
Accordingly, a prompt hearing is appropriate in this matter and good cause has been established for the following order:

IT IS HEREBY ORDERED THAT the hearing on the Verified Petition shall be heard on May 27, 2003 at 1:30 (central time) in Part I of this Davidson County Chancery Court, 501 Great Circle Road, Suite 210, Nashville, TN, (*new location*), to consider whether this Court should enter the Order requested by the Commissioner to administer funds to be held by her, as set forth in the Prayer of the Commissioner's Petition. At such time the Respondents or any persons who may wish to object to the procedure to administer this case shall show cause

why the Order should not be granted as requested by the Commissioner. The Court will not determine any specific person's entitlement to an award of benefits from the fund to be held by the Commissioner at this hearing, but only whether the requested administrative receivership will be granted. Any objections should be filed in writing prior to the hearing with the Clerk & Master of this Court before the close of business on 5 days before the date of the above hearing, 2003, and a copy delivered to the counsel for the State, Sarah A. Hiestand, Senior Counsel, Financial Division, Attorney General's Office, P.O. Box 20207, Nashville, TN 37202.

Notice by copy of this Order setting Hearing and the Verified Petition shall be served by Petitioner's counsel on each Respondent and notice parties set forth in the Service list to the Petition. Proof of service shall be filed at or before the hearing date by Petitioner's counsel.

IT IS SO ORDERED.



CHANCELLOR

Approved for entry by:

PAUL G. SUMMERS
Attorney General

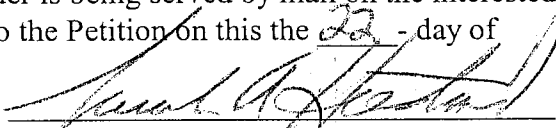


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Department of Commerce and Insurance

Certificate of Service

I hereby certify that the foregoing order is being served by mail on the interested parties and respondents set forth in the service list to the Petition on this the 22 - day of April, 2003.


SARAH A. HIESTAND

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